Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator
Robert E. Mace, Deputy Executive Administrator, Water Science & Conservation

FROM: Cameron Turner, Team Lead, Agricultural Water Conservation

DATE: April 15, 2015

SUBJECT: Approval of Fiscal Year 2015 Agricultural Water Conservation Grants

ACTION REQUESTED

Authorize the Executive Administrator to negotiate and execute grant contracts on or before August 31, 2015, in a total amount not to exceed $1,160,400 from the Agricultural Water Conservation Fund for the recommended Fiscal Year 2015 agricultural water conservation projects.

BACKGROUND

Senate Bill 1, Rider 25 appropriated $3,000,000 from General Revenue in fiscal years 2014 and 2015 to be deposited into the Agricultural Water Conservation Fund for the purposes of making agricultural water conservation monitoring grants to groundwater conservation districts with promulgated rules requiring metering. TWDB is currently under contract or in contract negotiations for $1,510,000 of these funds for projects previously approved by the Board.

On December 11, 2014, the Texas Water Development Board approved a request for applications for Fiscal Year 2015 agricultural water conservation monitoring grants. The request for applications appeared in the *Texas Register* on December 26, 2014, announcing up to $1,490,000 in available grant funding. This amount represents the unobligated funds from Senate Bill 1, Rider 25 appropriations.

The request for applications included only one category: agricultural water conservation monitoring grants for groundwater conservation districts with promulgated rules requiring metering (Attachment A).

KEY ISSUES

TWDB Contract Administration Division received five applications in response to the request by the March 11, 2015, deadline. The total amount of funding requested for all applications

combined was $1,190,400. Staff reviewed, evaluated, and ranked applications using the Agricultural Water Conservation Fund eligibility criteria identified in 31 Texas Administrative Code §§367.8–367.9 and as specified in the request for applications. Upon review, staff determined that four of the five applicants are eligible for funding. One applicant is ineligible for funding according to the provisions set forth in Senate Bill 1, Rider 25 requiring promulgated metering rules. Additional information from all applicants is included as Attachment B.

The following is a listing of the applications received, amounts requested, and recommended funding amounts. All of these projects would support implementation of agricultural water conservation strategies identified in the state and regional water plans.

Applicant	Requested Funding	Recommended Funding
Brush Country Groundwater Conservation District	$ 10,000.00	$ 10,000.00
Coastal Bend Groundwater Conservation District	$ 200,000.00	$ 200,000.00
Mesquite Groundwater Conservation District	$ 150,000.00	$ 150,000.00
North Plains Groundwater Conservation District	$ 800,400.00	$ 800,400.00
South Plains Underground Water Conservation District	$ 30,000.00	$ 0.00
Totals	$ 1,190,400.00	$ 1,160,400.00

RECOMMENDATION

The Executive Administrator recommends approval of this item.

This recommendation has been reviewed by legal counsel and complies with applicable statutes and Board rules.

_____
Les Trobman, General Counsel

Attachment(s): A: Request for Applications for Agricultural Water Conservation Grants
B: Summary of Applications

Attachment A

***Texas Register*, December 26, 2014**

Request for Applications for Agricultural Water Conservation Grants, Fiscal Year 2015

The Texas Water Development Board (TWDB) solicits a request for applications for the state Fiscal Year 2015 Agricultural Water Conservation Grants. The total amount of the grants to be awarded under this request for applications by the TWDB shall not exceed $1,490,000 from the Agricultural Water Conservation Fund. The rules governing the Agricultural Water Conservation Fund (31 Texas Administrative Code, Chapter 367) and application instructions are available upon request from TWDB.

Summary of the RFA

Solicitation Date (Opening): Date published in the *Texas Register*

Due Date (Closing): 12:00 p.m., Wednesday, March 11, 2015

Anticipated Award Date: June 2015

Estimated Total Funding: $1,490,000

Eligible applicants: Groundwater Conservation Districts

Contact: Cameron Turner, Agricultural Water Conservation Division, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231, Phone: (512) 936-6090, E-mail: cameron.turner@twdb.texas.gov

Agricultural Water Conservation Grant Categories

Applications must be in response to the following category. Applications must be consistent with the format provided in the Agricultural Water Conservation Grant Application Instructions document. Please contact TWDB staff if you do not have a copy of this document or if you have any questions about the application process.

Agricultural Water Conservation Monitoring

Funding in this category is available only to confirmed groundwater conservation districts that have promulgated rules requiring metering of groundwater withdrawals. Funding shall only be used to offset not more than half the cost of each metering device (as set forth in Senate Bill 1 – General Appropriations Act, Rider 25, passed during the regular session of the 83rd Texas Legislature in 2013).

Applications must identify an irrigation conservation strategy from the most recent applicable regional and/or state water plan. Applicants must justify the funding amount requested by

providing proof of the need for the number of meters. TWDB may prioritize funding based upon projects with the greatest needs (e.g. districts with the largest number of justifiable meters, recent increases in groundwater well drilling activities) or highest local cost-share match. Eligible expenses include up to 50 percent of the metering equipment costs. Following installation, the applicant must report water use data to TWDB annually for each piece of equipment installed for a minimum of five irrigation seasons. Applicants will be responsible for all other costs including, but not limited to, installation, maintenance, data collection, reporting services, and all other expenses for the duration of the contract. The annual data reports should include irrigated acreage, crop type, irrigation rate (inches per acre), total water use, county name, latitude/longitude coordinates (or state well grid location), and annual or effective rainfall totals (if available). Water savings estimates and an explanation of the water savings calculation methodology resulting from use of the equipment must be reported along with the annual water use data.

All TWDB contracts related to this item will include a provision stating that the district(s) shall maintain rules consistent with the legislative intent of Senate Bill 1, Rider 25 for the duration of the contract.

Grant Amount

Up to $1,490,000 authorized for Fiscal Year 2015 assistance for agricultural water conservation grants from the Agricultural Water Conservation Fund. TWDB will award funds through a statewide competitive grants process. Overhead is not an allowable expense category eligible for reimbursement through TWDB Agricultural Water Conservation Grant funding. TWDB staff evaluates all proposals based upon the specific criteria set forth in this solicitation and application instructions.

Description of Applicant Criteria

The applicable scope of work, schedule, and contract amounts will be negotiated after the TWDB selects the most qualified applicant(s) and/or the desired project(s) for funding. Failure to arrive at mutually agreeable terms of a contract with the most qualified applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with the next most qualified applicant. The TWDB reserves the right to reject parts of, any, or all applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding.

Application instructions available upon request from Cameron Turner, (512) 936-6090, cameron.turner@twdb.texas.gov, or online at http://www.twdb.texas.gov

Deadline for Submission of Applications

Applicants must submit six double-sided, double-spaced copies on recycled paper and one digital copy of completed applications with the TWDB on or before 12:00 p.m. on Wednesday, March

11, 2015. Applications can be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, Room 610D, 1700 North Congress Avenue, Austin, Texas, 78701; or by mail to David Carter, Texas Water Development Board, P.O. Box 13231 – Capitol Station, Austin, Texas 78711-3231.

Attachment B

Summary of Applications

Brush Country Groundwater Conservation District

Agricultural Water Conservation Grant Fund Category:
Agricultural Water Conservation Metering

Proposed Project Funding:

Total Study Costs	$20,000.00
Amount requested from TWDB	$10,000.00
Local cash or in-kind (50.0%)	$10,000.00

Participants:

Participating irrigated agricultural producers will purchase metering equipment and benefit from a 50 percent reimbursement of eligible expenses through the district.

Project Area:

The project is located in Jim Hogg, Jim Wells, Brooks, and Hidalgo Counties, which is in the Coastal Bend Regional Planning Area (Region N) and the Rio Grande Regional Planning Area (Region M).

Project Summary:

The project will promote and encourage metering of agricultural wells in the district. District rules state that all non-exempt wells are required to be equipped with a meter. The project will involve the purchase and installation of metering devices on participating producers' wells.

This project supports implementation of an irrigation conservation water management strategy in the state and regional water plans.

Project Duration:

7 – 8 years (to be determined during contract negotiations)

TWDB typically allows two to three years for purchase and installation of equipment for metering projects. Following installation, the district will report at least five full years of metered irrigation data and estimates of water use efficiency improvements or water savings.

Coastal Bend Groundwater Conservation District

Agricultural Water Conservation Grant Fund Category:
Agricultural Water Conservation Metering

Proposed Project Funding:

Total Study Costs	$575,000
Amount requested from TWDB	$200,000
Local cash or in-kind (65.2%)	$375,000

Participants:

Participating irrigated agricultural producers will purchase metering equipment and benefit from a 50 percent reimbursement of eligible metering equipment costs through the district. The district's proposal quantifies the 50 percent local match of equipment costs from producers and their installation costs, along with the district's cost in providing installation verification and administration as additional local-match, thus exceeding the minimum requirement of 50 percent local cost-share of the meters.

Project Area:

The district's territory covers all of Wharton County in the Coastal Plains region of Texas overlying the Gulf Coast Aquifer in the Lower Colorado Regional Planning Area (Region K) and the Lavaca Regional Planning Area (Region P).

Project Summary:

The proposed project will purchase and install meters on participating producers' wells. The meters will improve irrigation water management and encourage other on-farm conservation practices. The district estimates the project may achieve up to 10,000 acre-feet per year in water savings. District rules require meters on all new non-exempt wells; and their proposed rules (if adopted) will require meters on all permitted wells. The district will utilize funds provided through this project for cost-share of meter purchases on wells requiring metering.

This project supports implementation of multiple irrigation conservation water management strategies in the state and regional water plans.

Project Duration:

7 – 8 years (to be determined during contract negotiations)

TWDB typically allows two to three years for purchase and installation of equipment for metering projects. Following installation, the district will report at least five full years of metered irrigation data and estimates of water use efficiency improvements or water savings.

Mesquite Groundwater Conservation District

Agricultural Water Conservation Grant Fund Category:
Agricultural Water Conservation Metering

Proposed Project Funding:

Total Study Costs	$300,000
Amount requested from TWDB	$150,000
Local cash or in-kind (50.0%)	$150,000

Participants:

Participating irrigated agricultural producers will purchase metering equipment and benefit from a 50 percent reimbursement of eligible expenses through the district.

Project Area:

The district's territory covers all of Collingsworth and Hall counties, and selected parcels of Childress and Briscoe counties in the Southeastern portion of the Texas Panhandle overlying the Seymour and Blaine aquifers in the Panhandle Regional Planning Area (Region A) and the Llano Estacado Regional Planning Area (Region O).

Project Summary:

District rules require that all new irrigation wells install an approved flow meter; additionally, their proposed rules (if adopted) would require meters on all non-exempt production wells. The district will cost share the purchase of meters for participating producers meeting the metering requirements according to their rules.

This project supports implementation of multiple irrigation conservation water management strategies in the state and regional water plans.

Project Duration:

7 – 8 years (to be determined during contract negotiations)

TWDB typically allows two to three years for purchase and installation of equipment for metering projects. Following installation, the district will report at least five full years of metered irrigation data and estimates of water use efficiency improvements or water savings.

North Plains Groundwater Conservation District

Agricultural Water Conservation Grant Fund Category:
Agricultural Water Conservation Metering

Proposed Project Funding:

Total Study Costs	$1,600,800.00
Amount requested from TWDB	$800,400.00
Local cash or in-kind (50.0%)	$800,400.00

Participants:

Participating irrigated agricultural producers will purchase metering equipment and benefit from a 50 percent reimbursement of eligible expenses through the district.

Project Area:

The district is located in the northernmost Texas Panhandle, encompassing Dallam, Hansford, Lipscomb, Ochiltree, and Sherman counties, as well as parts of Hartley, Hutchinson, and Moore counties in the Panhandle Regional Planning Area (Region A). Their territory covers approximately 4.7 million acres and includes an estimated 1 million acres irrigated primarily from the Ogallala Aquifer.

Project Summary:

The district's rules require meters on all wells drilled in the district after 2003. As of January 1, 2013, if a change is made to an existing well, regardless of when it was drilled, all wells on the property must be metered per the district's promulgated rules. Through this project, the district will reimburse meter purchases from participating producers meeting the metering requirements set forth in their rules.

This project supports implementation of an irrigation conservation water management strategy in the state and regional water plans.

Project Duration:

7 – 8 years (to be determined during contract negotiations)

TWDB typically allows two to three years for purchase and installation of equipment for metering projects. Following installation, the district will report at least five full years of metered irrigation data and estimates of water use efficiency improvements or water savings.

South Plains Underground Water Conservation District

Agricultural Water Conservation Grant Fund Category:
Agricultural Water Conservation Metering

Proposed Project Funding:

Total Study Costs	$85,000.00
Amount requested from TWDB	$30,000.00
Local cash or in-kind (64.7%)	$55,000.00

Participants:

Participating irrigated agricultural producers would purchase metering equipment and benefit from a 65 percent reimbursement of eligible expenses. The district would contribute 15 percent of the cost of the meters to meet the 50 percent meter equipment cost-share rate set forth in the request for applications. The district's proposal further quantifies additional local match in the form of installation and administrative costs.

Project Area:

The district is located in the Southern High Plains in Terry and Hockley counties overlying the Ogallala Aquifer in the Llano Estacado Regional Planning Area (Region O). There are an estimated 6,000 irrigation wells within the boundaries of the district.

Project Summary:

While there is an established demand for cost-share of meter purchases within the district, their rules do not require meters. The district has a cooperative network of agricultural producers metering irrigation water use that began through participation in a TWDB Agricultural Water Conservation Loan in 2002. Through that program, participating producers received low-interest loans to purchase new center pivot irrigation systems. As a part of that program, the district required participating producers install meters to quantify the conservation benefits of the new systems. Those producers continue to meter and report irrigation water use on a voluntary basis. Those meters are in need of replacement. Through this project, the district proposes to replace those irrigation flow meters.

This project would implement metering as a best management practice to encourage irrigation conservation. It would also support implementation of a conservation water management strategy in the state and regional water plans. The district is technically ineligible for this cost-share funding however, according to the language from Senate Bill 1, Rider 25 stating eligibility is limited to districts with promulgated rules requiring metering.

Project Duration:

Not applicable